

NHID AHP Working Group Meeting Notes- January 14, 2019 Meeting

Attendees: 26 attendees signed in, not including NHID staff. Those present included representatives of insurance carriers, advocacy organizations, healthcare consulting organizations, insurance producers, attorneys, academics, and other interested parties.

The focus of the meeting was a discussion of the most recent draft of the AHP bill and the NHID outline document, which were circulated prior to the meeting. In particular, the NHID sought input on the approach taken in the draft with respect to rating variation and covered services, and the degree of flexibility needed to create a viable commercial opportunity for Pathway II AHPs in New Hampshire. Discussion also centered on the likely need for mitigating measures to offset adverse selection impacts on the ACA-compliant small group market, if the NH legislature adopts this legislation.

The NHID emphasized that its role is to frame up the key issues for legislative consideration, and provide policymakers with as much information as possible about the likely impacts of different courses of action. Commissioner Elias noted that the goal is to create an approach that would be commercially viable, both from the carrier and consumer perspectives, so it will create an option for those whose coverage needs are not addressed by currently available products. At the same time, he noted, the NHID strives to provide information on likely adverse market effects and appropriate mitigation strategies.

Specific discussion and comments included the following:

1. Rating flexibility

Carrier representatives commented that even with the latest changes (allowing rating variation at the member employer level of 5:1 for age and 1.5:1 for tobacco use), there is not sufficient flexibility for the product to be commercially attractive. Carriers felt additional rating flexibility based on industry and geography at the member employer level was needed. The NHID noted that in 2013 the NH Legislature opted to prohibit geographic rating in the small employer market, even though this variation is permissible under the ACA. A non-carrier attendee noted the challenges faced with respect to coverage and services in the rural parts of the state, and that geographic rating would exacerbate this. The NHID confirmed that this was a central legislative concern in 2013.

Carriers commented on the threshold number of NH lives needed for an association to qualify for large group rating at the association level. One carrier felt the threshold should be 450 NH lives, while another advocated for a threshold of 50 lives. A third supported the approach taken in the bill (250 lives).

2. Covered benefits/EHBs/NH mandates

The NHID explained the approach taken in the current bill, which would require coverage in 10 Essential Health Benefit (EHB) categories, but would not require strict conformity with the NH EHB benchmark so long as the coverage was actuarially equivalent to the NH benchmark.

There was little comment on this component of the bill. In response to a question, the NHID confirmed that information on the NH benchmark is available on the NHID website:

<https://www.nh.gov/insurance/lah/2019-plan-year-qhps.htm>

Benchmark Plan Information

Matthew Thornton Blue
MetLife FEDVIP Dental
2018 Benchmark Summary
The Center for Consumer Information & Insurance Oversight - Information on Essential Health Benefits (EHB) Benchmark Plans 

3. Detrimental impacts on other markets and potential risk adjustment approaches

Several group members expressed concern that allowing increased flexibility for AHPs would adversely affect existing markets. The NHID confirmed that this was likely the case, and that the negative effects would increase synergistically as the flexibility for AHPs increased. The NHID noted that it intends to have an actuarial consultant perform a market analysis of the impacts on existing markets if increased flexibility for AHPs is allowed; this analysis could be used to design a risk adjustment mechanism that would be included in the final version of the bill (but it is not in the existing bill language as these impacts have not yet been quantified).

There was some discussion of the current bill language restricting a small group from reentering the small group market for 24 months after exiting that market in favor of AHP coverage. One insurance producer felt this requirement was “extremely prohibitive.” Other stakeholders felt this was an appropriate restriction to protect the existing markets.

4. Other comments

Some first-time WG attendees who are associated with an existing grandfathered MEWA/qualified association trust had questions on whether the bill as drafted would allow previously grandfathered coverage to continue. The NHID replied that yes, this was the intention. These stakeholders recommended that this be expressly stated in the bill language, which the NHID agreed made sense. There was also a recommendation that a definition of “Pathway I” coverage be added, to complement the “Pathway II” definition.

There were several questions about next steps. The NHID confirmed that at this point the process lies with the legislature – the bill will be scheduled for hearing, and stakeholders will have their opportunity to express their thoughts on the bill. The NHID will also summarize for legislators the information it has received through the working group process, and could also potentially schedule another working group meeting, if policymakers think it would be helpful.

The NHID ended the meeting by thanking working group members for their valuable participation in this process.